

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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25/10/2019

#351

COMPANIES HOUSE

1 Company details

Company number 0 7 1 0 2 7 3 3

Company name in full The Original Quality Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Marco

Surname Piacquadio

3 Liquidator's address

Building name/number Exchange House

Street

Post town 494 Midsummer Boulevard

County/Region Milton Keynes

Postcode M K 9 2 E A

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

From date	^d 2	^d 1	^m 0	^m 8	^y 2	^y 0	^y 1	^y 8
To date	^d 2	^d 0	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9

7 Progress report

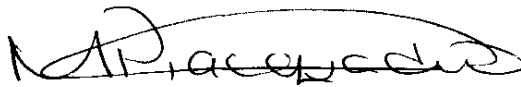
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 6	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9
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The Original Quality Ltd
(In Liquidation)
Joint Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 21/08/2018 To 20/08/2019 £	From 21/08/2017 To 20/08/2019 £
	ASSET REALISATIONS		
Uncertain	Ennovator - Intercompany Debtor	NIL	NIL
Uncertain	Jacob Kristensen - Intercompany Debt	NIL	NIL
Uncertain	Merchant Accounts - Debtor	NIL	NIL
NIL	Third Party Contribution	3,219.51	3,219.51
Uncertain	TOQ Hong Kong - Intercompany Debt	NIL	NIL
		3,219.51	3,219.51
	UNSECURED CREDITORS		
(4,094,210.43)	Intercompany Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(4,094,310.43)		3,219.51	3,219.51
	REPRESENTED BY		
	Bank 1 Current		3,219.51
			3,219.51

The Original Quality Ltd (In Creditors' Voluntary Liquidation)

Progress report

Period: 21 August 2018 to 20 August 2019

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	The Original Quality Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 21 August 2017.
"the liquidators", "we", "our" and "us"	Marco Piacquadio of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name:	None
Company registered number:	07102733
Company registered office:	Exchange House, 494 Midsummer Boulevard, Milton Keynes, MK9 2EA
Former trading address:	Unit 307, Canalot Studios, 222 Kensal Road, London W10 5BN

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	21 August 2017
Date of liquidators' appointment:	21 August 2017
Changes in liquidator (if any):	Lloyd Hinton resigned as Liquidator as at 22 May 2018

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 21 August 2018 to 20 August 2019

Receipts

During the period of this report funds totalling £3,219.51 have been received into Begbies Traynor's client account in respect of a third party contribution to settle an unsecured creditor claim.

Payments

No payments have been made during the period of this report.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

General case administration and planning

I have dealt with my day-to-day administrative duties, maintenance of records and ongoing statutory obligations. Other matters included reviewing and responding to correspondence, carrying out periodic bond, case and diary reviews. The above work is not of financial benefit to creditors but is required to enable the liquidator to undertake their statutory duties.

Compliance with the Insolvency Act, Rules and best practice

I have prepared and issued my progress report on the period, circulated this to creditors and filed it with Companies House. The above work is not of financial benefit to creditors but is required to enable the liquidator to undertake their statutory duties.

Realisation of Assets

As detailed in my previous progress report, the Company's only assets were intercompany debtors which were not pursued on the basis that the Company did not have any unconnected unsecured creditors with the exception of HM Revenue & Customs ("HMRC") and all unsecured connected creditors had waived their claims against the Company.

I subsequently received a claim from HMRC which totalled £10,555.82 and this was reviewed. Further to the review it was established that the claim comprised an assessment in the absence of a pre-appointment VAT return. This review confirmed that the amount actually owed to HMRC was £2,932.82. Accordingly, on the basis that the inter-company debtors were not being pursued, the Director made a third party contribution of £3,219.51 in respect of HMRC's claim plus interest.

This work has resulted in the payment in full of HMRC's claim along with statutory interest

There have been no further realisations during the period of this report.

Dealing with all creditors' claims (including employees), correspondence and distributions

The Company's Statement of Affairs indicated that there were connected creditors of £4,094,210.43 but that there were no unconnected creditors. Accordingly, prior to the period covered by this report, I wrote to the Company's connected creditors to advise them of my appointment and to ask for details of their claims. I have since received confirmation that they have waived their claims against the Company.

So as to ensure that there were no previously unknown unconnected creditors that would result in me having to pursue the Company's connected debtors, I advertised a notice to submit claims in the London Gazette on 08 January 2018 (again, prior to the period covered by this report). HMRC subsequently submitted an estimated claim of £7,623.00 in respect of VAT and £2,932.82 in respect of Corporation Tax.

I liaised with the Company's Director and accountant regarding these claims which it transpired were estimates. The Director advised that the amount due to HMRC, and as per previously submitted returns, was actually £2,932.82. Accordingly, I requested that HMRC review their previously submitted claim in line with the returns and provide me with an amended claim. It was anticipated that the revised claim would be received shortly following this request but I am yet to receive it.

In addition to this, and in November 2018, I received a further claim from an unconnected unsecured creditor that was not previously included on the Company's list of creditors. The claim totalled £54,811.01 but no supporting evidence was provided. I referred the matter to the Director who advised that they had no record of this debt.

Since no evidence supporting the claim had been provided I wrote to the claimant on 13 February 2019 and advised them that the claim had been rejected in its entirety. I provided the claimant with 21 days in which they could provide supporting documentation to substantiate their claim, however, no evidence was received.

Given the time that has lapsed, and considering that HMRC have yet to provide a revised claim, it is now my intention to set a final date for proving and to partially reject HMRC's claim, on the basis of the submitted returns, and to adjudicate the claim at £2,932.82.

Other Matters

Reviewing and responding to HMRC correspondence and completing CT/VAT returns as requested. This work does not have a financial benefit for creditors.

5. ESTIMATED OUTCOME FOR CREDITORS

On the basis of realisations to date and estimated future realisations, I estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

No payment will be made to the Company's secured creditor as no claim has been received from them.

Preferential creditors

There are no known preferential claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

Whilst Companies House shows that Barclays has a fixed and floating, it is understood that there is no amount owed to them under those charges. Accordingly, there will be no payment in respect of the prescribed part

Unsecured creditors

We consider that there will likely be sufficient funds for a dividend to be paid to HMRC as the Company's only unsecured creditor and that this payment will be 100 pence in the pound. It is anticipated that this dividend will be declared shortly.

6. REMUNERATION & DISBURSEMENTS

Remuneration

I have not sought approval in respect of my post appointment remuneration and do not intend to charge a fee in this regard. Whilst I am authorised to draw disbursements in accordance with my firm's policy, which is attached at Appendix 2 of this report, none of these costs have been charged to the Liquidation.

Work undertaken prior to appointment

My pre-appointment remuneration was fixed by a decision of the creditors on 21 August 2017 obtained via a Decision Procedure and based on a fixed fee of £8,000.00 plus VAT.

I have drawn the sum of £8,000.00 plus VAT against the fee that has been approved prior to the period covered by this report. Since this was discharged by way of a third party contribution, it is not reflected on the receipts and payments account.

Disbursements

To 20 August 2019, I have not incurred any disbursements.

Category 2 Disbursements

No Category 2 disbursements have been incurred or charged to the case.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATOR'S EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

Assets that remain to be realised:

There are no assets left to be realised.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

Dealing with all creditors' claims (including employees), correspondence and distributions

Once HMRC's claim has been adjudicated upon a first and final dividend to creditors will be declared and paid.

Other matters which includes seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel

Prior to closing the Liquidation I will write to HMRC and notify them of my intention to close the case. A final account will then be prepared and circulated to creditors before it is filed at Companies House.

How much will this further work cost?

My remuneration was based on a fixed fee of £8,000.00 plus VAT and therefore the required further work will not result in any additional costs.

Expenses

It is anticipated that the only additional expense to be incurred is that of placing an advert in the London Gazette. It is not intended that the costs of this advert will be charged to the case.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a

liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

Connected party transactions

I have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging my statutory duties as liquidator, I may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, I am required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

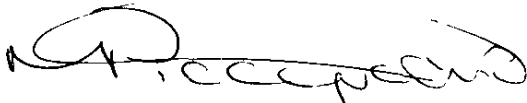
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



Marco Piacquadio
Joint Liquidator

Dated: 16 October 2019

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 21 August 2018 to 20 August 2019

The Original Quality Ltd
(In Liquidation)
Joint Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 21/08/2018 To 20/08/2019 £	From 21/08/2017 To 20/08/2019 £
	ASSET REALISATIONS		
Uncertain	Ennovator - Intercompany Debtor	NIL	NIL
Uncertain	Jacob Kristensen - Intercompany Debt	NIL	NIL
Uncertain	Merchant Accounts - Debtor	NIL	NIL
NIL	Third Party Contribution	3,219.51	3,219.51
Uncertain	TOQ Hong Kong - Intercompany Debt	NIL	NIL
		<u>3,219.51</u>	<u>3,219.51</u>
	UNSECURED CREDITORS		
(4,094,210.43)	Intercompany Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(4,094,310.43)		<u>3,219.51</u>	<u>3,219.51</u>
	REPRESENTED BY		
	Bank 1 Current		3,219.51
			<u>3,219.51</u>

COSTS AND DISBURSEMENTS

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

This note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
 - *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.
- (A) The following items of expenditure are charged to the case (subject to approval):
- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
 - Car mileage is charged at the rate of 45 pence per mile;
 - Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.
- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:
- Telephone and facsimile
 - Printing and photocopying
 - Stationery

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

APPENDIX 3

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance to be discharged £
Expenses incurred with entities not within the Begbies Traynor Group				
None				
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
None				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance to be discharged £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Bonding	Willis	60.00	0.00	60.00
Statutory Advertising	Courts Advertising	277.02	0.00	277.02
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
None				